

## Message Text

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42

ORIGIN NEA-12

INFO OCT-01 ISO-00 EB-11 L-03 INR-10 CIAE-00 TRSE-00

CIEP-02 SCEM-02 SS-15 NSC-10 SPC-03 /069 R

DRAFTED BY NEA/IRN:BBMORTON:ML

9/18/73 EXT 20574

APPROVED BY NEA/IRN - JACK C. MIKLOS

NEA/RA - MR. MONTGOMERY (DRAFT)

EB/FSE - MR. MAU (DRAFT)

L/NE - MR. BROWN (DRAFT)

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R 182138Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

C O N F I D E N T I A L STATE 185554

E.O. 11652: GDS

TAGS: ENRG, IR

SUBJECT:GOI DEMAND THAT JOINT VENTURES PAY ROYALTIES

REFS: TEHRAN 6499 AND 6278

1. C.H. MURPHY, BOARD CHAIRMAN OF MURPHY OIL, CALLED ON ASSISTANT SECRETARY SISCO TO DISCUSS ROYALTY DEMAND. HIS ATTITUDE TOWARD DEMAND IS BASICALLY THAT DESCRIBED IN PARA 2 OF TEHRAN 6499. HE NOTES, HOWEVER, THAT LAPCO CONTRACT CALLS FOR ARBITRATION OF DISPUTES AND IS CONSIDERING WHETHER COMPANY WOULD GAIN ANY BENEFIT FROM SEEKING TO HOLD GOI TO ARBITRATION. MURPHY INDICATES FINANCIAL ASPECTS OF ROYALTY DEMAND NOT SERIOUS PROBLEM. MAIN QUESTION IN HIS MIND IS WHETHER GIVING IN NOW TO IMPERIAL FIAT WITHOUT SEEKING NEGOTIATED SETTLEMENT WOULD SET POOR PRECEDENT.

2. WE WOULD APPRECIATE EMBASSY'S VIEWS ON IRANIAN MOOD ON THIS ISSUE. DOES IT APPEAR THAT GOI WOULD BE WILLING TO ENTER NEGOTIATIONS OR IS ULTIMATUM APPROACH SEEN AS NECESSARY TO MAINTAINING APPEARANCE OF OIL LEADERSHIP IN  
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FACE OF RECENT LIBYAN MOVES? WHAT WOULD BE LIKELY GOI

RESPONSE IF COMPANIES DEMAND ARBITRATION PER CONTRACT? IN  
VIEW OF OCT. 1 DEADLINE, WOULD APPRECIATE REPLY BY END OF  
WEEK.

3. FYI MURPHY SAYS THAT COMPANIES INFORMED AT SAME TIME  
ROYALTY DEMAND PRESENTED THAT IN FUTURE TAX PAYMENTS MUST  
BE MADE QUARTERLY AND DEVALUATION SURCHARGE MUST BE PAID  
ON 1972 TAXES. RUSH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, TAXES, ROYALTIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** collinp0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE185554  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BBMORTON:ML  
**Enclosure:** n/a  
**Executive Order:** GS HELMS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
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**Image Path:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** TEHRAN 6499 AND 6278  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** collinp0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 DEC 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21-Dec-2001 by shawdg>; APPROVED <01 MAR 2002 by collinp0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OI DEMAND THAT JOINT VENTURES PAY ROYALTIES  
**TAGS:** ENRG, IR, US  
**To:** TEHRAN  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005